

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

97-01-13

2. STATE:

NJ

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID) Title XIX

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

4/1/97

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.250

7. FEDERAL BUDGET IMPACT:

a. FFY 1997 \$1.25 million

b. FFY \$1.25 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A
Page 1 (Table of Contents)
37-39 through 50

*** SEE REMARKS

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19A
Page 1 (Table of Contents)
37-39 through 50

10. SUBJECT OF AMENDMENT: Reimbursement for New Jersey Private Psychiatric, All Private
(Non-Acute), and All Rehabilitation Hospitals (Excluding Distinct Units of All Hospitals)
Disproportionate Share Hospital (DSH) Payments

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Exempt pursuant to 7.4 of the plan

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

William Waldman

14. TITLE:

Commissioner

15. DATE SUBMITTED:

16. RETURN TO:

Division of Medical Assistance
and Health Services

P.O. Box 712

Trenton, NJ 08625-0712

DATE RECEIVED:

DATE APPROVED:

19. EFFECTIVE DATE OF APPROVED MATERIAL:

04/01/97

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE: Associate Regional Administrator
Division of Medicaid and State Operations

23. REMARKS:

As per State letter dated 03/25/98 Attachment 4.19 Page 1 Table of Contents
has been withdrawn.

As per State letter dated 05/23/01 Attachment 4.19-A Page IV-39 has been
revised and approved.

I. ELIGIBILITY:

A. At a minimum, any New Jersey private psychiatric, any special (non-acute) or any rehabilitation hospital will be deemed eligible to receive a DSH payment if it has a New Jersey utilization rate that is one percent of the annual hospital inpatient days using the most recent data available, and has on staff two obstetricians who accept Medicaid patients unless the patients are predominately individuals under 18 years of age or the hospital does not offer non-emergency obstetrical services to the general population as of December 21, 1987 and either:

(i) has a New Jersey Medicaid inpatient utilization rate that is equal to or greater than one standard deviation above the mean New Jersey Medicaid inpatient utilization rate for all hospitals in New Jersey as calculated by the Division of Medical Assistance and Health Services using the most recent available data; or

(ii) has a low-income utilization rate that exceeds 25 percent as shown by the most recent available data; or

(iii) is owned by the State of New Jersey or a local government agency within the State of New Jersey (governmental); or

(iv) is under contract with the Division of Mental Health Services, Department of Human Services, to provide community mental health services; or

(v) receives payments from the State of New Jersey for the provision of health care services.

II. METHOD OF PAYMENT

A. Hospitals that are deemed eligible to receive DSH payments on the basis of low Income utilization or both low Income and Medicaid utilization will receive annually a DSH payment that is equal to one-hundredth of one percent of non-DSH Medicaid payments for inpatient services for each percentage point by which the hospital's low income utilization exceeds 25 percent (i.e., the number of percentage points multiplied by 0.01 percent multiplied by the hospital's non-DSH Medicaid payments for inpatient services).

97-13-MA (NJ)

TN 97-13 Approval JUN 06 2001
Signed: 88-294 Effective Date 04/01/97

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for New Jersey Private Psychiatric, All Special
(Non-Acute), and All Rehabilitation Hospitals (Excluding Distinct Units of
All Hospitals) Disproportionate Share Hospital (DSH) Payments**

E. Disproportionate Share Hospital (DSH) payments to New Jersey private psychiatric, special (non-acute) and rehabilitation hospitals (excluding distinct units of all hospitals), that have a Medicaid utilization rate of at least one (1) percent, shall include payments by any agency of the State of New Jersey for health care services provided to Medicaid beneficiaries and uninsured individuals. These DSH payments shall be the amount of the payment by the State agency for Medicaid and uninsured individuals not to exceed 100 percent of the costs incurred during the year serving Medicaid beneficiaries and uninsured individuals less Medicaid payments including any other DSH payment methodology and payments from or on behalf of uninsured patients. The DSH payments shall replace the portion of total State agency payments to each hospital supporting services to Medicaid beneficiaries and uninsured patients. These payments from other agencies do not represent payments for prisoner inmate care.

97-13-MA (NJ)

TN 97-13 Approval Date JUN 06 2001
Supersedes TN 88-29d Effective Date 04/01/97

Pages IV-40 through IV-50

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97-13-MA (NJ)

TN 97-13 Approval Date JUN 06 2001
Supersedes TN 88-29d Effective Date 04/01/97